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U.S. policies on contras at crossroad

Rebel aid hinges on peace efforts

Auditor for contras / 30A

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WASHINGTON — The Reagan administration's Nicaragua policy, and with it the future of U.S.-backed rebels, is at its most critical juncture since the CIA organized the insurgents in 1981.

Interviews during the past week with administration officials, key legislative leaders and congressional aides make clear that where the policy goes from here hinges on two crucial questions:

News Analysis

• The outcome of a contra summit under way in Miami, at which rebel leaders are struggling to resolve differences threatening to dissolve their movement.

• Whether Nicaragua will meet a June 6 deadline for signing a peace treaty sponsored by the so-called Contadora countries — Mexico, Venezuela, Colombia and Panama.

"The two events have combined into the most important decision time for the contras and Contadora," said a senior administration official who monitors Nicaragua policy.

Administration officials and congressional leaders see at least four possible scenarios, each with its own cause and effect, playing out over the next two weeks. They are:

• Nicaragua signs the Contadora agreement and the contra movement falls apart. If this happens, President Reagan's request for \$100 million more in military and logistical aid for the contras almost certainly dies and the Contadora plan becomes the only option, at least for a while.

• Nicaragua refuses to sign the Contadora pact and the contras unify and widen their political appeal. Were this to happen, Reagan's contra aid proposal probably would pass, the Contadora process would be near collapse and the U.S.-backed insurgency would remain as the only alternative.

• Nicaragua signs but contras unify. Should this occur, some form of contra aid probably would pass, but with the money released to the insurgents only if Nicaragua failed to comply with the treaty.

• Nicaragua refuses to sign but the contras split. In this case, contra aid would be threatened but the administration might still manage to persuade Congress to fund the rebels with promises to rebuild their movement and push another Contadora effort.

Broaden appeal

The prevailing view in Washington is that the contras will manage to unify and broaden their appeal, with opinions divided on whether Nicaragua will sign the Contadora agreement.

As of Saturday, this unification had not occurred, although the rival leaders did agree to appoint an external auditor to monitor the spending of U.S. funds. That move is aimed at countering corruption charges.

Though Reagan has not addressed the Contadora-contra dilemma, some White House officials have publicly said that if Nicaragua signs and fully honors a peace treaty, the United States will review its rebel-aid policy. Rep. Dante Fascell, Miami Democrat and chairman of the House Foreign Affairs Committee, doubts that anything will be resolved until Nicaragua's intentions become clear, but once that happens, it would have a major impact on policy.

"If Nicaragua signs the Contadora treaty, the president loses the contra aid program [in Congress], at least until it becomes clear that Nicaragua is not complying," Fascell said. "But if Nicaragua refuses to sign the treaty, then the president's contra aid program wins."



Fascell

Fascell also links congressional action on the administration \$100 million contra funding request to the outcome — expected to be determined sometime this week — of the contra summit in Miami.

"Just like Contadora," Fascell said, "if the contras unify in Miami, contra aid advances, but if they split, it suffers."

Rep. Dave McCurdy, D-Okla., a key congressional moderate, shares Fascell's view that Miami and the Contadora effort are vital to the future of the administration's Nicaragua policy.

"They are two significant events," McCurdy said. "They're equally important. There has to be a particular alignment, like the stars in the heavens, for things to work out right."

McCurdy leaves for Central America on June 1, heading a congressional fact-finding delegation preparing for resumption of the aid debate, probably in mid-June.

For some administration officials, outcome of the Miami summit is more important for the rebel future than what happens with the Contadora effort.

Compromise expected

"If the contras disintegrate, then whether Nicaragua signs or not becomes a moot question," one administration official said. "Then the question will be 'Who do we fund?'"

There is a belief among administration officials that the contras eventually will compromise, reducing the power of the current conservative leader, Adolfo Calero, and placing the rebel movement under the control of moderates Arturo Cruz and Alfonso Robelo.

Calero is the leader of the CIA-created Nicaraguan Democratic Force (FDN). Cruz and Robelo are former Sandinista officials who later joined Calero in creating a contra umbrella organization known as United Nicaraguan Opposition (UNO).

"The spotlight is now on whether enough reform will take place to convince Arturo Cruz that there is a new day in the contra movement in which there's real democracy and a structure to prevent and investigate both corruption and human rights abuses," said a congressional source in daily contact with rebel leaders in Miami.

"The dilemma comes if the FDN still believes it has segments of the American government behind it and doesn't need to engage in serious reform," the source added.

While Congress and the administration anxiously await the contra summit outcome, new controversy swirls within the administration over a possible Nicaragua signing of the Contadora agreement and whether it will mean abandoning the rebels. Some conservatives fear it will.

They have accused the White House and the State Department of sending mixed signals in the past few days by suggesting the contras will be betrayed if Nicaragua signs the Contadora pact.

The most recent manifestation of their concerns came Thursday with a call by Rep. Jack Kemp, R-N.Y., for President Reagan to fire Philip Habib, his special envoy for Central America.

Conservative ire was triggered by an April 11 Habib letter to several congressmen that suggested contra aid eventually would end if Nicaragua signed the Contadora pact. The letter also contained several caveats, however, including one that noted the rebel funding would continue until the United States was sure Nicaragua was complying with treaty provisions.

"We would not feel politically bound to respect an agreement that Nicaragua was violating," Habib said.

Habib's priorities

Nonetheless, Habib is understood to give the Contadora effort higher priority than the contras. An administration source said that in meetings with some legislators, Habib has voiced doubts about the contras' ability to defeat or even weaken the Sandinistas.

"Habib didn't understand the mine fields around contra aid policy and was walking all over them," the source said.

The White House rejected Kemp's demand to dismiss Habib and indirectly appealed to conservatives to trust the administration and cool their concerns.

"The president is solidly behind his Central American envoy and will continue to do so," said White House press spokesman Larry Speakes. "[Reagan] thinks he's an excellent man that has served his country well in many capacities and is doing so in this capacity."

On the Contadora effort, Speakes affirmed previous White House statements that Washington would support a treaty if one that meets U.S. objectives is agreed upon. But at the same time, he added that "the United States would insist, and let me underscore insist, upon verification, effective verification."

A White House source said that while Kemp and other conservatives are urging Reagan to make a strong public declaration in favor of the contras and opposing the Contadora effort, it is unlikely they will get one right away.

The reason, said the source, is that the White House does not want to create the impression in Latin America that it is trying to undermine the Contadora process, thus giving Nicaragua an excuse not to sign.

"If Nicaragua won't sign Contadora, that burden must be Nicaragua's alone," the source said.

The administration, according to other officials, also hopes this strategy will give it a powerful argument on behalf of contra aid should Nicaragua not sign at all. Then Nicaragua, not the United States, would be seen as the obstacle to peace.

Reagan support

A senior U.S. official who monitors Central American affairs said that regardless of what happens in Miami or with the Contadora effort, Reagan's support for the rebels and for reform in Nicaragua will not "go away."

This official suggested that even if Congress kills the \$100 million request because Nicaragua signs the treaty or the Miami contra meeting collapses, White House efforts to fund the rebels will continue.

This official and congressional sources said possible funding alternatives include:

- Proposing a new CIA covert program that would allow the administration, after notification to the congressional intelligence oversight committees, to begin funding the rebels again.

- Taking advantage of a provision in the Foreign Assistance Act that would allow Reagan to provide, without congressional approval, up to \$250 million in military and economic aid for any program deemed "vital to national security."

- Transferring funds from an existing program to the rebels. This would require a 15-day advance notification to congressional appropriations committees, which then could block the action.

Administration officials said none of these avenues is currently under consideration and noted that they are unlikely to be used because they would cause a furor in Congress.

"One way or the other," one official said, "contra aid is not going to go away."